

ORIGINAL NEW APPLICATION
McLeodUSA®



August 9, 2006

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VIA OVERNIGHT MAIL

2006 AUG 10 P 3:58

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission
DOCKETED

AUG 10 2006

Re: McLeodUSA Telecommunications Services, Inc.
Arizona Access Tariff No. 4

T-03267A-06-0512

Dear Sir or Madam:

DOCKETED BY	<i>WCL</i>
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Enclosed are an original and thirteen (13) copies of a revision to the McLeodUSA Telecommunications Services, Inc.'s ("McLeodUSA's") Arizona Access Tariff No. 4. In this filing, McLeodUSA is increasing the Tandem Switched Facility rate (Sheet No. 71) and the Returned Check Charge (Sheet No. 29) to above the current maximum, and increasing the maximum rates. Sheet No. 30, due to space limitations, and the Check Sheet (Sheet No. 1) were modified accordingly.

McLeodUSA has recently undertaken an overarching review of its existing access products with an eye toward simplifying those products, as well as developing rates and rate elements more consistent with its underlying network and operations. As a result of that review, McLeodUSA has streamlined its various state-specific tariffs into a regional template upon which all of its intra-state tariffs will now be based. This tariff filing effectuates those revisions.

Attached is a copy of the notice of this tariff change that was distributed to all potentially-affected intrastate access customers via direct mail, dated August 9, 2006. Also attached is an affidavit attesting to the notice distribution.

This tariff has an issue date of August 10, 2006, and a proposed effective date of October 10, 2006. It is my understanding that the Commission's decision date will be the effective date. Thank you for your assistance in processing this filing. If there are any questions, please do not hesitate to contact me at (319) 790-2250 or jredman-carter@mcleodusa.com.

Sincerely,

Julia Redman-Carter
Regulatory Analyst

Attachments



P.O. Box 3177
Cedar Rapids, IA 52406-3177

mcleodusa.com

August 9, 2006

Dear McLeodUSA Customer,

Thank you for your continued business with McLeodUSA. Due to recent changes in the telecommunications industry, McLeodUSA is modifying our Access Tariff rates.

McLeodUSA is proposing the following price changes to its Access Rate Elements.

Access Rate Element	Current Actual Rate	Current Maximum Rate	Proposed Actual Rate	Proposed Maximum Rate
Return Check Charge	\$15.00	\$15.00	\$50.00	\$55.00
Tandem Switched Facility (per minute/per mile)	\$0.00030	\$0.00059	\$0.00190	\$0.00300

These changes may increase your total charge. These changes will be voted on at a future Open Meeting of the Arizona Corporation Commission (Commission). These changes will become effective only upon approval by the Commission.

As always, McLeodUSA is committed to answering your questions about our service, explaining all aspects of your monthly bill and providing you with the personal attention you deserve. If you should have any questions, please call Tami Spocogee at 918-419-3350. If you have further questions, you may contact the Consumer Services Section of the Commission at 602-542-4251 or 800-222-7000 or you may go to its website at <http://www.cc.state.az.us>.

Again, we thank you for your business.

McLeodUSA Incorporated

State of Iowa

County of Linn

AFFIDAVIT OF ELAINA KEMPIN

I, Elaina Kempin, being duly sworn on oath, do hereby verify that the attached notice for the proposed Return Check Charge and Tandem Switched Facility increases reflected in the AZ Access Tariff were distributed via direct mail on August 9, 2006 to all potentially impacted business customers in Arizona.

Further Affiant sayeth not.

Elaina Kempin
(Signature)

Subscribed and sworn to before me this 9th day of August, 2006.



Jennifer C. Jones
(Notary Public)

CHECK SHEET

<u>PAGE</u>	<u>REVISION</u>		
		39	Original
1	1 st Revised*	40	Original
2	Original	41	Original
3	Original	42	Original
4	Original	43	Original
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7	Original	46	Original
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9	Original	48	Original
10	Original	49	Original
11	Original	50	Original
12	Original	51	Original
13	Original	52	Original
14	Original	53	Original
15	Original	54	Original
16	Original	55	Original
17	Original	56	Original
18	Original	57	Original
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21	Original	60	Original
22	Original	61	Original
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24	Original	63	Original
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26	Original	65	Original
27	Original	66	Original
28	Original	67	Original
29	1 st Revised*	68	Original
30	1 st Revised*	69	Original
31	Original	70	Original
32	Original	71	1 st Revised*
33	Original	72	Original
34	Original	73	Original
35	Original	74	Original
36	Original		
37	Original		
38	Original		

* Denotes new or revised page submitted with this filing.

Issued: August 10, 2006

Effective: October 10, 2006

By: William A. Haas
Vice President and Deputy General Counsel
One Martha's Way
Hiawatha, Iowa 52233

SECTION 2 – REGULATIONS2.6 Payments (Cont'd)2.6.2 Billing and Collection of Charges (Cont'd)

- (D) Billing of the Customer by the Company will begin on the Service Commencement Date. Upon request, the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- (E) If any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the date due, multiplied by a late factor. The late factor shall be the lesser of:
- (a) a rate of 0.000590 per day, compounded daily; or
 - (b) the highest interest rate which may be applied under state law for commercial transactions.
- (F) The Customer will be assessed a charge of **fifty dollars (\$50.00)** or the maximum permitted by law for a customer, whichever is greater, for each check submitted by the Customer to the Company which a financial institution refuses to honor.

(T)
(I)

(Section 2.6.2(G) moved to Sheet No. 30 due to space limitations.)

(M)
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(M)

SECTION 2 – REGULATIONS

2.6 Payments (Cont'd)

2.6.2 Billing and Collection of Charges (Cont'd)

- (G) Customers have up to 90 days (commencing 5 days after remittance of the bill) to initiate a dispute over charges or to receive credits. Payment by Customer of an invoice without timely initiating a billing dispute shall be deemed an admission by Customer that it used the access services provided, the rates charged were valid, and the billing was correct. (M)
- (H) Customer may withhold amounts disputed in good faith until either the Customer is informed that McLeodUSA has denied the dispute or 90 days, whichever comes first. Once a billing dispute is denied or a filed dispute remains unresolved after 90 days, Customer must pay the disputed amount to McLeodUSA.
- (I) If service is disconnected by the Company in accordance with Section 2.6.3 following and later restored, restoration of service will be subject to all applicable installation charges.

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SECTION 6 – RATES

6.5.	<u>Tandem Transport</u>	<u>Per Access Minute</u>	
(A)	Tandem Switched Termination	\$0.0012	
(B)	Tandem Switched Facility – per mile	\$0.00190	(I)
6.6	<u>Interconnection Charge</u>		
	Per Access Minute	\$0.013443	
6.7	<u>Switching</u>		
(A)	Origination or Termination	\$0.01029	
(B)	Tandem Functionality	\$0.00617	

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